



**CITY OF LINCOLN**

**LONG TERM  
DISABILITY PLAN**

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**TO ALL ELIGIBLE EMPLOYEES:**

When a non-work related accident or illness occurs, you are concerned about daily living and medical expenses. Moreover, you can suffer the loss of your future ability to earn a living if you become totally disabled.

Recognizing this need, the City of Lincoln, Nebraska has instituted this Long-Term Disability (LTD) plan to protect you against the loss of income caused by disability.

**BENEFITS AT A GLANCE**

This LTD plan provides financial protection for you by paying a portion of your income while you are disabled. The amount you receive is based on the amount you earned before your disability began.

**ELIGIBLE GROUP** All employees in regular employment as defined in chapter 2.76 of the Lincoln Municipal Code.

**MINIMUM HOURS REQUIREMENT**

Employees must be working at least 30 hours per week.

**WAITING PERIOD**

1<sup>st</sup> day of the next month following the date you complete 180 days of service with the City of Lincoln.

**ELIMINATION PERIOD**

Benefits begin starting at the end of the first month following a 180-day period, or the exhaustion of accumulated sick leave, whichever is longer.

**MONTHLY BENEFIT**

50% of your Basic Monthly Wage (see Definition), to a maximum of \$3,000 per month.

Your payment will be reduced by any Other Income Benefits available to you for such monthly period.

**MAXIMUM PERIOD OF PAYMENT**

Benefits will continue until Total Disability ceases or as limited in the following schedule:

<b>DISABILITY COMMENCEMENT</b>	<b>BENEFIT DURATION</b>
Prior to Age 60	To Age 65
Age 60 to 69	5 Years
Age 70 to 74	12 Months
Age 74 and Older	6 Months

**OTHER FEATURES**

Mental or Nervous Limit: 2 Years  
Pre-Existing Condition Limit: 6 Months

The above items are only highlights of this plan. For a full description of your coverage continue reading this plan document.



## SECTION I USING THE PLAN DOCUMENT

**Plan Document.** This is not a summary of your Plan, but the actual plan document written so that it can be used by you, the City of Lincoln and its appointed representative(s) in administering the Plan. In addition to this section, which explains how to use the plan document, the Plan has six other sections. A brief summary of what you will find in each of them is given below.

2. **How to File a Claim.** We have tried to streamline the claim filing procedure as much as possible. Your cooperation in filling out the forms completely will help us administer the Plan and will avoid delays in paying your benefits.
3. **Coverage and Contributions.** In Section III we have explained the coverage and contribution rules of the Plan.
4. **Benefits.** In Section IV we describe the benefits provided by the Plan. At the very beginning of this Plan Document the "Benefits At A Glance" page provides a summary of Plan benefits for quick reference.
5. **Exclusions.** There are a number of exclusions which apply to the plan benefits. We have listed them in Section V of the Plan.
6. **General Provisions.** Section VI sets forth general provisions important to the administration of the Plan, including information the government requires be included in this document.
7. **Definitions.** Many of the terms used throughout the Plan are defined in Section VII. Note that some very commonly used terms such as "we" and "you" are specifically defined in this section.

## SECTION II

# HOW TO FILE A CLAIM

## CLAIM INSTRUCTIONS

- When you are totally disabled due to a non-work related accident or illness, contact the City of Lincoln, Personnel Department, Benefits Area for an LTD claim form.
- Upon receipt of the claim form, complete the employee's portion in detail, answering all questions, including your signature.
- Written notice of claim must be provided the City of Lincoln no later than 30 days before the end of the Elimination Period. If notice cannot be given within the applicable time period, the City of Lincoln must be notified as soon as it is reasonably possible.
- To determine compensability, we may require:
  - Proof of Other Income, and
  - Proof that you have applied for Other Income, and that you have furnished the proof required.
- Forward the claim form to your doctor for completion.
- It is your responsibility to ensure that the completed form is sent to the City of Lincoln, Personnel Department, Benefits Area.
- You must furnish whatever items we decide are necessary as proof of loss or to decide our liability. You must authorize the sources of medical and dental services to release your medical information. If you do not furnish any required information or authorize its release, we may not be able to determine compensability.
- You will receive written notice from the City or their representatives regarding how benefits are calculated.
- Claims will normally be approved or denied promptly by the City of Lincoln or their representative(s). In any case, claims will be approved or denied within 90 days after they are received.
- We may ask you to be examined as deemed necessary by the City of Lincoln. The City of Lincoln will pay for any exam we require.
- No action at law or in equity may be brought against the plan until at least 90 days after you file proof of loss. No action can be brought after the statute of limitations has expired, but, in any case, not after four years.
- In the event your claim is denied, the written notice you receive will tell why it was denied and will refer to the Plan provisions upon which the decision was based. The notice will also tell you about any additional information that may be necessary for your claim to be approved.

- 1 3. You can appeal the denial of a claim by writing the City Personnel Director and stating that you wish to appeal. In order to be considered, your appeal must be received within 90 days after you are notified of the denial. You should include any issues, comments and documents you think will allow the Personnel Director to decide your appeal favorably. You may also have someone you designate represent you before the Personnel Director. If you decide to make a personal appearance or have another person represent you, it must be done at your own expense. You or your representative may review any documents that relate to the appeal.
- 1 4. If you appeal, the Personnel Director will review your claim and any additional information you furnish. A decision will be rendered within 60 days after it is received.

### **SECTION III**

## **COVERAGE AND CONTRIBUTIONS**

1. **Commencement of Coverage of Eligible Employees.** Coverage under this plan will begin at 12:01 a.m. on the first day of the month next following the date you complete 180 days of service with the Employer.

Your coverage cannot begin while you are away from work due to disability. In that case you will not be covered until the first day after you have been back on active work on a fulltime basis. For this purpose you will be deemed to be actively at work if you are working at the Employer's usual place of business on a regularly scheduled basis performing every duty pertaining to your job, not taking into account periods of absence from work due solely to vacation, holidays or days off. Coverage for benefit changes will also not apply until you have returned to active work on a fulltime basis.
2. **Termination of Coverage of Eligible Employees and their Dependents.** Your coverage under this Plan will terminate at 12:01 a.m. on whichever of the following days occurs first:
  - (a) the day you cease to be an Eligible Employee;
  - (b) the date the Plan is terminated; or
  - (c) the date you enter the armed forces on active duty.

## SECTION IV BENEFITS

*(Refer to applicable Plan Provisions for eligibility and other requirements regarding these benefits.)*

### SCHEDULE OF BENEFITS

1. **BENEFITS.** If you become totally disabled and remain under the care of a doctor, you will receive 50% of your Basic Monthly Wage (see Definitions), reduced by the amount of any Other Income Benefits available to you for such monthly period. This benefit will be paid to you only if you have been totally disabled for 180 consecutive days. Persons receiving long-term disability benefits will not be eligible for any improvement in disability benefits until they have returned to active work on a fulltime basis.
2. **MINIMUM BENEFIT.** If you normally work at least 30 hours per week before your period of disability starts, your minimum monthly benefit will be \$100. For any part of a period of disability less than a full month, the Minimum Benefit is 1/30 of \$100 for each day of disability after the qualifying period ends.
  - **Lump Sum Benefit.** If you receive a lump sum payment for any other Income Benefits, The City of Lincoln will prorate the lump sum on a monthly basis over the time period specified for the lump sum payment. If no time period is stated, the lump sum payment will be prorated on a monthly basis over your expected lifetime as determined by the City of Lincoln.
  - **Other Income Benefits.** Other income benefits are:
    - salary or other compensation from the City of Lincoln, or
    - benefits from primary Social Security disability or retirement benefits, or
    - benefits from any other governmental program, including any Worker's Compensation program, or
    - any City of Lincoln sponsored program which provides loss of time benefits, or
    - any amount equal to the reduction provided under the Rehabilitation provision.
5. **ESTIMATE OF BENEFITS.** If you are eligible for benefits from any of the above sources; or would be paid such benefits if you had applied for them or had applied for them on time; we will figure your monthly benefit as though you are receiving these other benefits, even if you are not. We will estimate the amount of your Social Security benefit; and offset that amount as described above; until we receive notice of a denial of such benefits at the first level of appeal after an initial denial.



**6. ADJUSTMENT OF BENEFITS.** If we find that the amount of benefits from any source should be different from the amount we used to figure your monthly benefit, we will adjust it. If we paid you less than we should have, we will pay you the difference. If we paid you more than we should have, you must pay us the difference. We may reduce your benefit or stop paying benefits until the overpayment is recovered. If we reduce your benefit, or stop paying benefits, the Minimum Benefit will not be payable.

**7. WHEN PAYABLE.** The benefits will be paid starting at the end of the first month following the qualifying six month period provided you have furnished the City of Lincoln the required proof of loss as described in the claim provisions. Benefits will continue until Total Disability ceases or as limited in the following schedule:

DISABILITY COMMENCEMENT	BENEFIT DURATION
PRIOR TO AGE 60	TO AGE 65
AGE 60 TO 69	5 YEARS
AGE 70 TO 74	12 MONTHS
AGE 74 AND OLDER	6 MONTHS

**8. MENTAL OR NERVOUS DISORDERS.** If Total Disability is due to Mental or Nervous Disorders (see Definitions) or substance abuse the benefit is payable during the first two years of disability. At the end of two years of such disability, payment will continue only if you are confined in a hospital or other institution qualified to provide care and treatment for the disability.

**9. PREEXISTING CONDITIONS.** A preexisting condition is any sickness or injury for which you have received medical care, treatment or services or taken drugs or medicines prescribed by a doctor during the 90-day period prior to the date you become covered. In the event of a preexisting condition, coverage will be postponed for that condition until you have been actively at work for 180 consecutive days.

**10. PLAN COVERAGE TERMINATION.** If you become totally disabled while covered, the benefits will continue to be paid even if the coverage terminates.

**11. SUCCESSIVE DISABILITIES.** Successive periods of disability from the same cause separated by less than six months of active fulltime work are considered as one period of disability.

- 1 2. MAXIMUM INTERRUPTION PERIOD DURING QUALIFYING PERIOD.** If Total Disability is interrupted for less than fifteen (15) days, then it will be considered one qualifying period.
- 1 3. REHABILITATION PROVISION.** If you accept Rehabilitation employment during any period of Total Disability for which benefits have been payable under this Plan, we will pay the regular monthly benefit for the duration of the Total Disability, less 50% of the remuneration received from the Rehabilitation Employment. "Rehabilitation Employment" means any occupation or employment for wage or profit for which you are reasonably fitted by training, education or experience, provided such Rehabilitative Employment is performed during which you are unable to fully perform your regular occupation. Rehabilitation Employment must be approved in advance by the City of Lincoln.
- 1 4. SURVIVOR BENEFIT.** If you die while receiving a Monthly Benefit from this Plan, we will pay to your estate, in a lump sum, an amount equal to three times the last Monthly Benefit. "Last Monthly Benefit" means the amount to which you were last entitled after reduction of other income benefits, other than for wages earned under the Rehabilitation Provision.

## **SECTION V EXCLUSIONS**

In spite of other provisions of this Plan to the contrary, no payment shall be made under this Plan with respect to any disability caused by:

- (a) war or any act of war;
- (b) committing or attempting to commit a felony; or
- (c) an intentionally self-inflicted injury.

## SECTION VI GENERAL PROVISIONS

1. **Governing Law.** The Plan is established in the State of Nebraska. To the extent federal law does not apply, any questions arising under the Plan shall be determined under the laws of the State of Nebraska.
2. **Interpretation.** We have the authority to construe the Plan and to determine all questions that arise under it. Such power includes, for example, the administrative discretion necessary to determine whether an individual meets the Plan's written eligibility requirements, or to interpret any other term contained in this Plan document. Further, to the extent that any Plan benefit is subject to a determination of medical necessity, reasonableness or the like, we will make that factual determination. Our interpretations and determinations are binding on all employees, retired employees, dependents and their beneficiaries.
3. **Alienation.** No benefits under this Plan may be assigned, or be subject to anticipation, garnishment, attachment, execution, or levy of any kind, or be liable for your debts or obligations. If a person who is entitled to receive a payment under the Plan is, in our opinion, incapable of giving a valid receipt for the payment and if no guardian has been appointed for that person, we may make the payment to the person or persons who in our opinion have assumed the obligations of caring for the person on whose behalf the payment is made.
4. **Termination and Amendment.** Although we intend to continue the Plan indefinitely, we reserve the right to amend or even terminate the Plan. Any amendment or modification will be in writing.
5. **General Information.** This Plan is funded through the City of Lincoln contributions. Funds are held in trust until they are disbursed. Plan records are maintained on the basis of a fiscal year ending August 31.
6. **Agent for Service of Process.** The City of Lincoln is the agent for service of process for the plan.
7. **Gender and Number.** In the construction of this Plan the masculine shall include the feminine and the singular includes the plural in all cases where those meanings would be appropriate.
8. **Plan Not in Place of Workers' Compensation.** This Plan is not in place of and does not affect any requirement for coverage by Workers' Compensation insurance.
9. **Effective Date.** The effective date of this Plan is May 1, 1985. No benefits will be paid under this Plan for disabilities beginning before the effective date. The Plan was amended effective September 1, 1990. Plan revisions were effective November 1, 1992 and January 1, 2000.

## **SECTION VII DEFINITIONS**

**Basic Monthly Wage** means your monthly base wage during the month you worked immediately prior to your disability, but excluding overtime pay, longevity pay, other bonuses or special compensation.

- 2. Doctor** means an individual who is a licensed physician operating within the scope of his license and is authorized to prescribe and administer drugs or to perform medical services.
- 3. Eligible Employee** means any person who is a status employee and who customarily works at least 30 hours per week, except that Commissioned Police and Commissioned Fire Department employees or any other employees covered by the Police and Fire Pension Plan are not covered.
- 4. Mental or Nervous Disorder** means neurosis, psychoneurosis, or mental or emotional disease or disorder of any kind, including substance abuse.
- 5. Plan** means the City of Lincoln, Nebraska Long Term Disability Plan, as herein set forth and as from time to time amended.
- 6. Plan Administrator** means the City of Lincoln, Nebraska or its representative(s).
  - **Sickness** means sickness, disease or pregnancy causing loss commencing while you are covered under the Plan.
  - **Injury** means accidental bodily injury occurring while you are covered under the Plan.
- 7. Total Disability** means:
  - (a) During the six months qualifying period and during the first 24 months in which benefits are payable, a disability which prevents you from performing the duties of your regular occupation;
  - (b) After this 24 month period, a disability which prevents you from performing any and every gainful occupation for which you are reasonably qualified by education, training or experience.
  - **We** means the City of Lincoln, Nebraska.
  - **You** means any eligible employee of the Employer, as defined in Article VII, Section 4. Such a person becomes an eligible employee on the first day of the month next following the date he/she completes 180 days of employment with the City of Lincoln.

